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P R O C E E D I N G S

MR. INDYK: It's been a long and interesting day, and we're going to finish with a long and interesting night.

We have a very special treat this evening. And, unlike the last session, with President Clinton, we are now on the record, and tweeting is allowed.

It's a great pleasure of mine to welcome former Prime Minister Ehud Olmert to talk with David Ignatius tonight, and then with all of us. He's a man who has a great deal of experience, and a great deal of wisdom to impart, from his time as Prime Minister, both on war issues and on peace issues. And we're very grateful to him that he's spent the weekend with us, and now we have the chance to learn from him.

David Ignatius is a columnist for *The Washington Post*. One of the issues that he writes about, most frequently about, is the Middle East, where he once was Middle East correspondent for *The Wall Street Journal*, I believe. And very grateful for David that he's agreed to conduct this conversation.

So, please, gentlemen, join us on the stage.

MR. IGNATIUS: So, it's a pleasure to be here with former Prime Minister Ehud Olmert. We have television cameras in the room, which means that people must be expecting that some news is going to be made.

And so I want to jump right in by asking you the question that Israelis have been asking me all day, and that I think everyone in this audience would really love to know the answer to, which is with the deadline for filing for the January elections coming up, I think, next Thursday, whether you --

MR. OLMERT: I think Friday.

MR. IGNATIUS: -- okay, Friday, an extra day to think about it -- whether you are thinking about running? Whether you will run?

MR. OLMERT: David, I remember that most of the times we met, while I was Prime Minister, and I briefed the Washington press, you were present at the meetings which were always off-record. Right?

MR. IGNATIUS: Often off-record, yes, sir. But they were so off-record, I can't answer.

MR. OLMERT: (Laughs.) And this one is on record.

So what I can say is, number one, in any event, I'm going to make a statement or an announcement to the public when I'm in Israel. I don't think that it will be appropriate to make any announcement while I'm here. I don't think it's proper, I don't think it's the right way to do it. I'm an Israeli, I'm talking about Israeli politics, and you're asking about Israeli politics, and I don't think that the arena in America is the right place where to make announcements about Israeli politics.

By the way, I think the same about American elections. I don't think that the right way to make an announcement about American politics, or raise funds for American politics, to bring American voters to Israel in order to raise funds for American presidency. But that's beside the point. I promised that I'll not be provocative, so I'll not be provocative.

But I promise you one thing: I will be, in any event, very active in the coming elections. I think that the government in Israel has to be changed. There is no question about it. It has to be changed, because the policy of the government has to be changed, and I don't see that this government will change its policy. On the contrary, it's likely that, given the makeup of the list of the Likud Beiteinu, there is a good chance that the policy of the government will even shift more into the wrong direction.

So the government has to be changed, the leadership has to be changed. And I'll try to do everything I can in order to help change it.

MR. IGNATIUS: So --

MR. OLMERT: What exactly will be my capacity and my position in this effort is something that will be made clear in a very short time.

MR. IGNATIUS: So I didn't hear you say "No, I'm not running."

MR. OLMERT: And you didn't hear me say yes.

MR. IGNATIUS: And I didn't hear you say, "Yes, I am running." I heard you say that we should expect a further discussion of these issues.

MR. OLMERT: So, great.

MR. IGNATIUS: So, what I want to ask you is, we've all seen you last night -- Haim Saban and Cheryl were kind enough to put together all the useful people for discussions about the shape of a coalition -- and I'm wondering if you had any conversations here, for example with Tzipi Livni, who's already announced she's running, that would be important in this process?

MR. OLMERT: Well, I had many talks with Tzipi Livni over the last few weeks, and yesterday night, Cheryl and her husband were very gracious in putting us at the same table.

MR. IGNATIUS: We all watched that, and we were wondering, what are they talking about?

MR. OLMERT: We were exchanging comments during the evening. But, of course, as you can imagine, you know, under these circumstances, you can't speak as openly as you ought when you want to discuss delicate matters. So there were certain things that we kept quiet about at that table, because we were afraid that Cheryl will immediately leak it to the press.

MR. IGNATIUS: We used to say that these discussions were supposed to happen in smoke-filled rooms, but nobody smokes anymore, so I guess they just happen in private rooms.

But, again, we'll wait for the next chapter.

I do want to ask you to speak more about the issues on which you would criticize the current government. And I'd like to begin by remembering what Rahm Emanuel said at lunch today when he was talking about --

MR. OLMERT: He was quite explicit, I have to say.

MR. IGNATIUS: He was very explicit. And as we remember, he said that when Prime Minister Netanyahu came to the Oval Office, he did something that no visitor should ever do. And then he said that Prime Minister Netanyahu had bet on this election, this American election, and had lost.

And I wonder if you think, as Rahm said, that the ways in which your Prime Minister got involved in American politics was inappropriate, and whether it was costly to Israel's security?

MR. OLMERT: I'll start with the end of your question. I don't think that it has affected the Israeli security, because that I think that Barack Obama is a friend of the State of Israel. And, in a way, it also answers the first part of the question.

I think that Barack Obama is a friend of Israel. He was a friend of Israel in the last four years, and he will continue to be a friend of Israel in the next four years. And when now I hear all the vote of thanks coming from Israel to President Obama, every day the Prime Minister looks for an opportunity to find a microphone to say again how much he's grateful to the president, I think he's a little bit exaggerating. You know, you should thank the President for his intervention in the cease fire, in the vote in the United Nations, but you don't have to exaggerate, to say it three times a day. But this is the guy

whom the Prime Minister considered to be hostile to the State of Israel only three weeks ago.

So, I think there was a mistake here, but the mistake is really not in whether you think that the President is friendly or not friendly, the mistake was in the initial involvement, or the appearance of involvement in the political process in America. I think it's not our business. Point blank, it's not our business. It's the business of American voters to decide who they want to be their president. And Israel should make every possible effort to be friendly with every president that is in this office.

And I have to say that, to the extent that I can go back with my memory, there was not one president who was not friendly to the State of Israel over the last four decades that I was involved in public life in Israel. So that's very important.

And I really, I was very upset when -- not when Mitt Romney came to the State of Israel. If he decided to come to the State of Israel, it is his choice, and I received John McCain, when he came to visit Israel when he was a candidate and I was Prime Minister. And I received Barack Obama when he was a candidate and came to visit Israel.

It's the, makeup, it's the whole setup, with this guy who decided to -- after he bought the political system in Israel, he thought that he can buy also the political system in America with \$100 million, giving to candidates that were fighting the President.

Now, I don't mind people giving contributions to candidates. This is normal, this is part of the system in America, this is part of the system in Israel. The extent to which it was done was, I think, grossly exaggerated, and smelled of something which was not appropriate.

And the fact that the fund-raiser was done in the State of Israel, with Jews coming from America to Israel to raise funds for a candidate that happens to be in Israel for his elections in America, I thought that it was inappropriate, and that it was

made in order to create the impression amongst American Jewish voters that Romney is riding on the shoulders of Israel to the White House -- which I thought was a mistake. And the Prime Minister took part in this effort, which was totally unacceptable.

And the fact is that you heard it today from Rahm Emanuel. I don't know how friendly Rahm Emanuel with the President, but I think he supports him.

MR. IGNATIUS: I think they -- yes, they know each other pretty well.

MR. OLMERT: They may be quite friendly. So if he said what he said, probably he reflected the sentiment which may not necessarily be only his private sentiment, but something that many other people share with him. And this has not contributed to the comfortable environment in the relations between the two countries.

I still don't think that it will affect the security of Israel, because Barack Obama is a friend of the State of Israel, and he will not mix his personal feelings about the intervention of the Prime Minister in the political process in America, with his fundamental commitments to the safety and the security of the State of Israel.

MR. IGNATIUS: You made a very strong statement at the beginning of our conversation, that the current government in Israel, the government or Prime Minister Netanyahu, must be defeated, and pledged that you were going to try to make that happen.

And I want you to explain to this audience, on what basis you are going to make that argument to Israelis. Why should this government be replaced?

MR. OLMERT: Well, there are many arguments. I don't want to go into all of these that I will elaborate on in Israel.

I think that the basic point is, in my mind, is the fact that this government is not dedicated to the pursuit of peace in a realistic way that can bring peace. Maybe, at the end of the day, in spite of the genuine efforts which will be made, there will not be

peace between us and the Palestinians. I don't know. But I think that this is the primary responsibility of every Israeli government.

I entirely subscribe to the judgment of President Clinton on this issue. He didn't elaborate too much on how to do it. He was very careful, for his own reasons, which I don't know. But he did say that this is the first priority of the Israeli government is to make peace with the Palestinians, and I entirely agree with it, and I think that we haven't done enough effort to move forward on the road to peace with the Palestinians. And this is something that must be changed, because it will determine, at the end, the future of the State of Israel.

This is the most fundamental issue on the national agenda of the State of Israel.

MR. IGNATIUS: Let me go back to the time you were Prime Minister, and your own efforts in the peace process. Condoleezza Rice, who will be with us tomorrow morning, in her memoir, gave an extraordinary account of how close she says you came to a deal.

MR. OLMERT: Yes.

MR. IGNATIUS: And if you believe Condi Rice, you even gave her a map, which showed the outlines of the state that you had agreed was possible. If you believe what she wrote, you had come up with a tentative agreement about Jerusalem, a tentative agreement about the right of return -- all of the key issues, you had gotten to.

And I want to ask you, first, is former Secretary Rice's book accurate? And second, do you think it's possible, with Mahmoud Abbas, who walked away from that deal, it appears, to get back to the place you were in September of 2008, when you handed Condi Rice a map of what the Palestinian state would look like.

MR. OLMERT: Let me first try, David, with something that I said yesterday privately, so I will not say what the reaction was, but I said it to Secretary Clinton -- which really bothers me a lot, and I wondered about it a long time, since I retired from the prime ministership.

I don't quite understand why is it that every time there is a new president in America, they start the peace process as if nothing existed before. We had, here, Bill Clinton. Bill Clinton was more involved in the most delicate and intimate aspects of the peace process than perhaps any president in the history of America. He took pride in the fact that he knew more street names of Jerusalem than even the Mayor of Jerusalem. He was mistaken -- not the first time he was mistaken. But, you know, we forgive him because, in a good will about him. He really knew lots of things about the negotiations.

He retired. Bush started -- as if Clinton never was president of America, and never conducted negotiations, and never spent time in Camp David for weeks, trying to reach an agreement. By the way, this is the first and the only compliment that I'm going to give Barack this evening. He really made an extraordinary effort in Camp David in 2000, which was enormously significant, and enormously important. At that time, I was pissed off with him, because I was in a different position. I have to admit it. I was mistaken and he was right.

But it didn't work out. It didn't work out. Arafat was not a real partner for peace, which I don't think the same about Abu Mazen. So, and then Bush came, and he started from scratch, as if nothing happened before him.

Now, as Condi Rice wrote in her book, I don't think she wrote that I gave her a map, I showed a map to Abu Mazen, with all these swaps of territories, and all the details. And Abu Mazen said that he needs to do the fine tuning with map experts, and we set up a meeting for the next day, because I told him, "We have to complete it within

five days, and go to New York and present it to the U.N. Security Council." And he said, okay, so we'll have a meeting tomorrow.

And the next day, Sy Barakat called Shalom Turgeman and told him that the president forgot that he has go to Amman, and somehow it disappeared.

So, the truth is that we presented the Palestinians with a peace plan which was very forthcoming, shocking to the ears of Condi Rice, who heard from me about my plan months before, and she called, as she writes in the book, she called Steve to the White House, and she said to Steve, "Please tell the President he was right about Olmert. Olmert wants peace." Which was right.

Now, no ones knows to give an answer about Abu Mazen, because the fact is -- and it must be very clear, you know, we put a lot of blame on ourselves, and there is a lot of reason we blame ourselves, particularly after I retired, about out peace policy.

But the fact remains -- the fact remains -- that the Palestinians did not say yes to the peace plan which was the most forthcoming, the most daring, the most far-reaching that was ever proposed to them, and which gave an answer to all the requests of the Palestinians, and everything that they said for the last 45 years. So there was no reason that they will delay any answer. They should have said right away: We agree. We sign in initials. Let's go to the U.N., let's go to a joint session of Congress, let's go to Europe. Let's call all the world leaders to Israel and to Jerusalem, to the point where the borders of the two capitals should be, and make a big deal out of it.

And he failed to do it.

Now, he didn't say yes, he didn't say no. He didn't say yes. He says now that in a matter of two or three months we could have concluded a deal. Maybe he still wanted to argue about certain aspects of it, I don't know. I still think that it's

incumbent upon us, not because they don't have to do anything, it's because this is our interest.

There is one thing about what Clinton said tonight, which I didn't share the lack of enthusiasm about, let's put it this way. I think that a friend of Israel should use every power of persuasion he has in order to convince the government of Israel to immediately embark on the peace plan based on what I proposed, because this is the only peace plan that can be reached. And it must be reached, not because of the Palestinians -- I don't -- I'm not a Palestinian patriot. I'm an Israeli patriot.

Time is running out not for the Palestinians, for Israel. And the sooner we reach an agreement that will determine that there are two states, for two nationalities, for two peoples, the better it is for Israel.

MR. IGNATIUS: So, if you were in some way back in politics -- we're going to leave for the next few days your decision about how that might be -- would you take up where you left off, with that detailed plan that you discussed with Abu Mazen? All the points are there. Would you just start from there and get down to negotiations, and not go back to square one? How would you do it?

MR. OLMERT: David, David, listen to me carefully -- I hope I don't sound too arrogant. I don't want to be. It really burns my heart, and it breaks my heart, because I know how close I was, and I know that we may have had peace with the Palestinians, maybe in April, maybe in May of 2009, and circumstances, you know, prevented it. And it breaks my heart.

Because I know that there is nothing which is more important for the future of my children and my grandchildren, and the grandchildren of many of the people sitting here who live in Israel, than making peace with the Palestinians. It would have

changed an entire life in Israel, the entire State of Israel, amongst the Arab countries, the relations between Israel and all the Muslim countries. It would have changed everything.

It was possible. It is still possible. It's difficult, it's painful. It's heartbreaking.

You know, it was the most difficult moment of my life, when I was sitting in front of Abu Mazen -- I am the former Mayor of Jerusalem, and I was fighting for the unity of Jerusalem all my life, and particularly when I was Mayor of the City of Jerusalem. And I sat in front of Abu Mazen, as the prime minister of the State of Israel, not as a private citizen, not as a mayor, as the prime minister who is in charge of the State of Israel, and I say to him, "I'm prepared to pull out from the Arab parts of Jerusalem so that they will become the capital of the Palestinian state." And I'm prepared that there will be no sovereignty over the Holy Basin, and it will be administered by an international trusteeship that will consist of five nations.

These are, for me -- I can't speak for others -- emotionally, it was very, very, very painful. I can't tell you how painful it was. I really was suffering. And yet I knew that there is not an alternative. If you want to make peace, you have to be ready to take tough decisions. That's why you are elected for these positions, not to deal with all kinds of nonsense that, you know, the prime minister sometimes -- prime ministers, in general -- can waste energies and time to deal with this. This is what you were elected for, to make peace, to change the life of people, to change the course of history.

And I was very close to it.

So this will be the peace that one day will be signed between Israel and the Palestinians. The only difference will be whether there will be a little fine tuning here and there. I don't know, you know, on the territory swap here, or the swap there, and so on and so forth. All the rest is unimportant.

They kept talking about water. This is nonsense. You know, Abu Mazen told me, listen, you want to keep Ariel because you want to have the aquifer of the waters near Ariel. I told him, "President, why do we have to waste time on this nonsense? You want, we will build three desalinization projects that will provide you with more water than you will ever need, and there will be pipelines that will lead all these waters into your territories, and you will make use of it just as you want. What's the big deal?"

The big deal are the following issues: one, the territories. It has to be based on the '67 lines. Barack Obama is absolutely correct about it. We swapped some territories, therefore it will not be identical, but it will be based on the '67 lines. I repeat it. I can be quoted by all the journalists sitting here. I don't mind. This is what I think, this is what I say.

Number two, the Arab neighborhoods in Jerusalem will have to be governed by the Arabs, by the Palestinians. I looked into the -- I read all the Bible. Time and again, time and again, I read all the Jewish scholars. I don't remember that in any place in these books we were praying for as-Sawiya throughout Jewish history, or for Jabal Mukabar. So what's the big deal? Does it have to be -- who decided that this is part of Jerusalem?

In 1967, when we took over Jerusalem, there were a few guys sitting, and they were drawing the lines of Jerusalem. How did they draw the lines of Jerusalem? By -- they were debating, they were arguing. There was not any serious study of what Jerusalem was, that is important for us, that is Jerusalem. Not as-Sawiya, not Jabal Mukabar, not Abu Dies, not all of these places. What the heck, they can be part of the Palestinian city. If that can bring peace to us and the Palestinians, why not?

And the same is for the holy sites. There will not be peace if one side will claim complete sovereignty over the holy places. So the holy places are holy for Jews, Muslims, and Christians. There is only one way to do it.

I know, it's heartbreaking for a Jew to say, but rather say the truth than try to fool yourself and others. The only way to do it is to have an agreement that there will be a trustship, governed by five nations, Muslims, Christians, and Jews, that will run these holy sites, that will open up for every believer, that will determine the arrangements that must be agreed upon, and that will allow this place to be the site for all the believers that want to come and pray there.

And we have to also resolve the issue of the refugees. I need to emphasize something that somehow escaped the attention of the media for so many years, and the commentators, for reasons which I can't comprehend.

I said, in this forum, in Saban forum, in 2007, in November 2007, in Jerusalem, at the King David Hotel, chairman of the event was Mr. Haim Saban, the husband of Cheryl. And the guests were Condi Rice -- Condi Rice and Tony Blair, and Howard Bourbon, if he's still here, he was there, and a few other Congressmen that I remember were there.

And in that event I said that we accept the Arab peace initiative as the framework for the negotiations with the Palestinians about the refugee issues. Okay? Later, I said it again in Annapolis.

So it's not true that Israel did not address itself to this issue. We addressed ourselves to the issue of the Palestinian, of the Arab peace initiative -- not the "Saudi peace initiative," there is not a "Saudi peace initiative." There was an article by Tom Friedman, which was based on a discussion between him and the heir apparent, the prince, Prince Abdullah, who is now the king of Saudi Arabia. But later, in February

2002, it was approved in Lebanon, in Beyrouth, and it was re-approved in Riyadh in June 2007.

So I said in Annapolis, earlier in the Saban forum in Jerusalem in early November 2007, that we are prepared to negotiate within the framework of the Arab peace initiative. These are -- and, of course, there are the Israeli security needs which were articulated, submitted to President Bush, were transferred by President Bush to President Obama, were accepted by President Bush, I guess were accepted by President Obama -- except that they didn't come into any discussion because there were no discussions on anything.

These are the main points. If there will be an agreement on these points, there will be peace, because the rest is -- is important, but it can be resolved. It's not the main issue.

And regardless of whether I'm in power or not, whether I am a prime minister or not, this is the peace that will be signed one day.

So, whoever is in power should take it, adopt it, put it on the table, and complete it. Whether it will be me or someone else, who knows. It depends on my announcement. But I didn't make it yet. (Laughter.)

MR. IGNATIUS: That's -- that's a really powerful statement, I have to say. I don't think I've ever heard anything quite like that from an Israeli leader, former leader.

I want to ask one more question, and then I'd like to turn to the audience for your questions.

MR. OLMERT: Don't give them a chance to ask me questions, they will curse me. You never know.

MR. IGNATIUS: The heck with them. No, I do want to turn to the audience. And then we have a surprise ending. Oops, sorry. It's such a surprise, I'm not even supposed to say that.

I want to turn the clock -- you know, we were talking about September 2008 --

MR. OLMERT: Yes.

MR. IGNATIUS: -- and that moment in which, as I hear you speak, peace seemed so close you could touch it almost.

MR. OLMERT: Yes.

MR. IGNATIUS: And I want to move the clock to December 2008, and January 2009, when something, the painful, brutally painful side of the Israeli-Palestinian issue hit you as prime minister, with Operation Cast Lead, and, ultimately, the ground invasion of Gaza.

And I want to ask you, not to talk about that, but to talk about the latest Gaza war, and whether you think -- I'm going to give you chance to say something very positive about Prime Minister Netanyahu, or to criticize him.

MR. OLMERT: Did I say something not positive about Netanyahu until now?

MR. IGNATIUS: So, my question is: Netanyahu stopped short of what you did.

MR. OLMERT: Yes.

MR. IGNATIUS: You decided you needed to go all the way with a ground invasion of Gaza, which was costly to Israel on many different levels. But you obviously decided it was necessary to deal with the problem of violence from Gaza.

And I should probably ask you, looking back, do you think -- would you rate that a success? And second, or more interesting, do you think Netanyahu was right in this case to take the case-fire and not invade on the ground?

MR. OLMERT: Well, you know, we have to draw comparisons. Number one, I think that his decision to take the head of the chief of staff of Hamas, Ahmed al-Jabari, was a correct decision. And I entirely support it.

I think that he was a perpetrator of terror of the worst possible kind, and sometimes you have to take these decisions. And I entirely supported it. I think it was the right decision. I certainly commended him for doing it. That's number one.

Number two, the problem of Netanyahu was different from mine. The problem of Netanyahu is that you can make such an operation, and go further, if you have an umbrella of international legitimacy that can provide you with the necessary support to take such operations.

My government enjoyed it because we were, as I said this morning, we were involved in a most serious manner in a peace process. And nations, prime ministers, I made sure that all the parties interested and important will be in this picture. It's not only that Steve, and Condoleezza Rice, and, of course, the President were privy to this information, but I called Nicolas Sarkozy, and I called Gordon Brown, and I called Angela Merkel, and I called the prime minister of India, and I called the president of China, and, you know, and I shared this information with all of them. So they all knew that this government was primarily committed to make peace, and that the reason that we had to attack Gaza was in order to stop the terrorists from attacking innocent Israeli civilians in territories which were not disputed, or not claimed to be occupied by Israel. And that's very important.

Now, when you are involved in a very genuine manner in a peace process, the international community is prepared to go along with you. And that's why we took a ground operation in Gaza. We didn't complete it, unfortunately, but it was sufficient in order to stop the Hamas from shooting from Gaza for more than two years.

I heard last week on the Israeli television that the spokesmen for the cabinet, were talking about this. They said if, as a result of this operation, it will be quiet for a year, it will be an achievement. It will be quiet for two years, it will be a great achievement.

So, it was quite more than two years after the Gaza Cast Lead Operation, so that I think that, according to standards set by the government of Israel today, it was a great operation.

In this context, just in parentheses, I can remind some that forgot it, that in the last six, seven-and-a-half years, there was not one bullet shot from the northern border, in Lebanon. This is for a failed operation. Can you imagine what could happen if it was a successful operation, how many years it would have been quiet in the northern part of Israel. But it is quiet for the last six-and-a-half years, which is not an insignificant event in the lives of people that live in the north. There are children that live in Kiryat Shmona today who are on grade B already, they are almost seven-year-old, and they didn't spend one day of their lives in a shelter. Never happened in 65 years in the history of Israel, except for the last six-and-a-half years in the north. So it's not insignificant.

So, the question is now, what will be the outcome on the longer run? In the last 10 days there was no shooting from the south, and I'm very happy about it. If it will last for a much longer time, we will be able to judge the success of it.

One thing, though, I have to mention. Look, I think that during the operation now, there are two important lessons which must be learned. One is the Israeli

government said, with regard to Iran -- an issue we didn't touch, and I don't want to talk about it -- but --

MR. IGNATIUS: I will invite you, and I'm sure members of the audience will.

MR. OLMERT: Yeah, you think so? I'll be surprised.

MR. IGNATIUS: Yes.

MR. OLMERT: Anyway, the Israeli government said that we need to attack Iran. I mean, it was said by all the -- by the prime minister, by the defense minister, until recently -- and that it was imperative to do it before the end of 2012, until September of 2012, otherwise we will cross the immunity period --

MR. IGNATIUS: The "zone of immunity."

MR. OLMERT: The zone -- okay, the zone of immunity. There are sometimes terms which even the creators of those terms do not understand what they say, so how can I understand it. But that doesn't matter. Okay, the zone of immunity. I don't quite understand what it is. But, suddenly, the zone of immunity was postponed for a year, okay? But, until recently, this was the zone of immunity, September of 2012, right?

And what did they say when we were asked, our leaders were asked, "What are you going to do if you will get into trouble, you know, and America is against it, and the Europeans are against it?" They said, "Israel has a right to determine what we have to do for our security and for our existence," and whether America or others agree or not, this is what we have to do, and we will handle it.

Now, there was just a little cease-fire between us and the Hamas and the Islamic Jihad. You heard the Secretary General of the United Nations, the Secretary of State of America, the Secretary of State of France, the Secretary of State of Germany,

the President of Egypt, the Secretary of State of Turkey -- all were operated largely because of the request of Israel, in order to arrange the case-fire with Hamas and Jihad.

So maybe a lesson was learned about the limits and the extent of independent powers that we can exercise when we deal with major issues -- not with small, limited problems -- and maybe that will have taught something, those who have ambitions to cope with much larger issues. This is one issue.

The other thing is that maybe from a military point of view, from as far as it turns to the Hamas, it will be successful. It has to be seen and proved. I hope so.

One thing is absolutely obvious: that all these political leaders came in order to save Hamas and the Islamic Jihad. Was it not the purpose of the Israeli government, and the policy of the Israeli government to destroy these organizations, rather than to call all these world leaders in order to save them? So this is something that has to be, I think, at least discussed in a serious way.

MR. IGNATIUS: So, before I go to the audience, I just want to ask one more time: Are you sure you don't want to announce that you're going to run in the January elections?

MR. OLMERT: First of all, I want to share with you a secret. I really, you know, I don't know if I can count on these guys that sit here.

MR. IGNATIUS: This is a very discrete group, and those cameras --

MR. OLMERT: I'm telling you, I'm running. I am running. I ran today seven-and-a-half miles in the gym. (Laughter.) And it was great.

MR. IGNATIUS: We'll go to the audience with that. You're not going to get away with that.

So, I see hands. Let me just -- we'll get the front row, Martin Indyk.

MR. INDYK: I hope, in the spirit of candid discussion, you'll allow me to be a little provocative.

MR. OLMERT: Only a little.

MR. INDYK: You are passionate, admirably passionate, I think, in your conviction that peace has to be made with the Palestinians.

MR. OLMERT: Yes.

MR. INDYK: But it seems to me that the narrative that you give of your efforts to make peace with Abu Mazen undermine dramatically the effort to make peace with the Palestinians.

And the reason I say that is because you, in the process of explaining what happened, confirm the narrative of those who are against peace, when they say -- the Israelis, that is -- when they say, "We have no partner." And they point to your experience as one of the best examples of the fact that Israel has no partner, and if there's no partner, there can be no point in trying to pursue peace.

So I'd like you to respond to that challenge.

MR. OLMERT: I will respond in the same provocative manner in which the question was asked. Sometimes, when one wants to be provocative, he manifests a certain short-sightedness in understanding what lies behind it. And I have to address myself to this, because I really think that this is an argument which is not original. And I don't blame you for it, but it has been spelled out by many over the years: "Look, you tried. You proposed him the most forthcoming, the most creative, the most far-reaching proposal, and he didn't say yes. He said no." There is at least one journalist here who even blamed me for being, now, a propagandist for the Palestinians for not blaming, explicitly, Abu Mazen for not wanting to make peace with Israel. Because, in a way, it raises this question. Yes.

So I want to say two things. Number one, for me -- and I said it, I think, in an interview I gave to Yediot Aharonot on the 29th of September 2008, a couple weeks after I made this formal proposition to Abu Mazen. I said, for Israel, the most important thing is not whether, as a result of signing an agreement with the Palestinians there will be an ideal complete peace, with all the ingredients of peace as we have always dreamt about it, the most important thing is that it will be a signature of the official representative of the Palestinian people, who was elected by the majority of the Palestinian people in direct elections, in democratic elections, which are recognized and accepted by the international community, and that this agreement will be approved by the U.N. Security Council and by the U.N. General Assembly, and that 180 or 190 nations will vote for it.

What will happen afterwards, maybe things which will not be congruent entirely with the commitments. Maybe. But, for the first time, there will be an agreement signed by the representative of the Palestinian people, about whom there can be no argument that he was the only one that was authorized to represent the Palestinian people, and accepted as such by the international community, and that this agreement will have been approved by the U.N. and by the entire nations.

That will determine the borders of Israel and the borders of the Palestinian state -- that will forever guarantee that there will be a two-state solution, rather than a possible one-state for two peoples. That was the most important thing.

And this is not disputed by all the arguments that it may have not, or that this agreement will have not been then respected entirely by the Palestinians. That was a different issue -- important, not insignificant -- that I think must be addressed very seriously. But first and foremost was the formal commitment of recognition by the Palestinians of borders of the State of Israel, and the acceptance of the United Nations

General assembly and the Security Council of these borders. That was the important thing.

And that could have been done, and could be done today.

Now, if one wants to come to the negotiations -- and I heard all these comments. I don't want to pass an opinion about these comments now. I can understand why they were made, and what are the reasons for making these comments. But when one starts by saying, look, the Palestinians first have to say that they will recognize Israel as a Jewish state, I don't want Abu Mazen or anyone to give me this recognition as a precondition for negotiations. Why? Because if there will be an agreement on the basis of these lines, then, by definition, it will be a Jewish state, and it will be recognized by the whole world as such.

But if you want, in advance, to force him to say, "I will recognize Israel as a Jewish state," you create a condition that will prevent negotiations from going on, for unnecessary reasons.

All right, so I can go on and on. Now, I'll tell you this: Abu Mazen is the best partner that Israel had, ever. Do you know why?

MR. IGNATIUS: So -- yeah, why didn't he sign it, I think would be -- why did he walk away?

MR. OLMERT: He didn't say -- look, he quoted Condi Rice, he quoted Condi Rice, David quoted Condi Rice. He was gracious, and he was very polite, and very civilized -- as he is, even when he writes against Israel -- sometimes. And he didn't quote everything that she wrote.

But you know, Ilana, so you don't have to ask me, you know -- you know, we understand very well, we Israelis understand very well, when there is an opposition to Bibi Netanyahu in the Likud Party, there are some extremists, people will say, what do

you want from the prime minister? He has got to settle with these extremists? And he has got to compromise with the others, otherwise they will be against him, and so on and so forth.

What about Abu Mazen? Does he not have some opposition? Does he not have Tehran and Cairo and others in other parts, and the Hamas, that are against him? And even on top of him there are sometimes, on top of this, he sometimes may hear Israelis suggesting to him that he shouldn't rush with these proposals given to him by the prime minister of Israel, then there can be also a reason for him to hesitate. And if the prime minister is about to retire, and if there are going to be elections, and if in America there are going to be elections, so there can be reasons -- our reasons, their reasons.

You know, you can ask yourself, why the prime minister of Israel after me didn't take this plan as it was proposed to him by the most authorized people in his government from the security agencies. Take the Olmert plan, call it Netanyahu plan, and put it on the table to Abu Mazen, and make him say no. You will be endorsed by the entire international community as the one that was prepared to make all these concessions, all these proposals, and the Palestinians rejected it. Why didn't he do it?

So, look, the question is this: Are we looking for excuses to blame the Palestinians? I can give you more than just this. They failed on every opportunity. They failed. Of course they failed. They were obnoxious. They were not up front on many occasions. Am I responsible for them? I am responsible, I was responsible. But I care for myself, for my country, for my people, for my children.

And the question is, what do we do so that we will exhaust every possible opportunity to build up the necessary process and, if necessary, also the pressure, and the international support in the direction that we think is essential for the

future of Israel? That's what we have to do -- rather than look for excuses that he is not, and he is weak, and he is indecisive, and so on and so forth. We can make many -- we can find many good reasons to put the blame on the Palestinians.

But that's not our job. Our job is to be forthcoming, imaginative, and to be prepared to take a risk even if the opposition in my party will be against it. We'll go to the people. And you know what will happen? What the party will reject, the people will accept. We know it.

MR. IGNATIUS: So, Martin, I think you got an answer.

So I'm going to collect three questions. I see three hands --

MR. OLMERT: I thought I answered your question, didn't I?

MR. IGNATIUS: I'm going to ask those three people to make their questions, and then we'll go back to Prime Minister Olmert. And then I think we should -- Martin, is that -- I'm assuming we're running out of time. I could go on for another hour or hour-and-a-half.

Yes, sir.

SPEAKER: Ehud, if you were prime minister today --

MR. OLMERT: This is Ehud Aaron?

SPEAKER: Yes. If you were prime minister today or, more explicitly, this last week, would you tell your ambassador in the United Nations, Ron Prosor -- I think he's here -- to vote yes on the Palestinian acceptance as a non-member observer state?

MR. OLMERT: Look, number one, I really, I think it's not appropriate for me to speak in these terms. I'm very modest, as you all know me -- okay? -- from the outset.

MR. IGNATIUS: Low-key also.

MR. OLMERT: So -- and low-key. So I don't think it's appropriate for me to speak "had I been prime minister." I can tell you what my position is. My position as Ehud Olmert, a former prime minister, I'll tell you.

I think that the most important thing for Israel, the most critical issue for Israel is to prevent the eventuality of a one-state for two peoples, if we want to have the state of Israel as a Jewish state, as Israel was destined to be from the outset. Now if there is an initiative in the United Nations which is maybe -- and I said it on television in America -- is not simple. It also includes some serious concerns that we should be aware of. And it was spelled out explicitly several times, in different occasions. You know, the fact that they now can come to the international tribunal in Hague, and file suits against Israelis for war crimes, and so on and so forth.

But, this is the first time that the United Nations officially recognized the pattern of solution which we said is a solution that we support. Everyone, when we want to defend ourselves, we say, "But Bibi made this monumental, historical, unforgettable speech in the Bar Elan University." Bar Elan University was never made so famous as in that speech, in which someone understood that he meant to say that there will be two states. Okay? I don't remember him saying it so explicitly, but it doesn't matter. It was interpreted, and no one denied it. Okay.

So, if this is what we want, if this is the solution that we want, and now the United Nations comes and accepts this pattern of a future solution, why, A, do we have to oppose it? B, not without giving notice to the difficulties that it may create, and finding the proper manner -- and the President proposed, for instance, how we could have handled that aspect of it, together with the Americans in the first place. But why do we have to put ourselves in a position where the whole world is against us, on something that fundamentally is in line with what we want? And, number three, why, when we -- as

the President said, the Americans supported us because that's what we wanted. So, the President of the United States of America, the one that was only three weeks ago an enemy, and suddenly, not only that he brings his fire, and he goes to the United Nations, and he's prepared to put America in almost total isolation, with eight major empires, like Micronesia and others, to vote in favor of Israel against 139 nations --

SPEAKER: Eight.

MR. OLMERT: And with the absentee vote of 41 Europeans, that you can imagine where their vote was not in favor of our side, but against our side -- right?

The next morning, as a vote of thanks, of admiration, of respect, of understanding, of support for the President, you declare the building of 3,000 units in the territories, which is the worst possible slap in the face you can give the President. And you heard today what his good friend said about it -- about it, amongst other things.

MR. IGNATIUS: So, one more question -- yes, please, in the third row.

MR. OLMERT: I hope that you understood my answer. (Laughter.)

There is no question with only one word answer, yes or no.

MR. IGNATIUS: Would you have voted for -- if you were prime minister, would you last week have instructed the Israeli represented to vote in favor of this resolution, since it's --

MR. OLMERT: I opposed -- I said, this is what I said: I wouldn't have not initiated it to start with. I would have talked with Abu Mazen in advance.

But you have to understand something. Why is this question -- and you will bear with me, Aaron. You know how much I respect you, and I respect your professional integrity, and your treatments as a journalist.

You can't ask me, what had you been doing, had you been prime minister? Had I been prime minister, I would have done a lot more before, not to reach

that position in the first place. It was not necessary. Had we talked with the Palestinians, had we negotiated with the Palestinians, had we created relationships of trust and mutual respect with the Palestinians, we could have avoided this in the first place.

So, to put me artificially into the morning of the vote, and say, "What would you instruct the ambassador?" The poor ambassador, what do you want from him? He would have preferred to be in the Emirates Stadium in London, watching Arsenal playing against Manchester United and losing, rather than making this speech.

MR. IGNATIUS: Last question.

SPEAKER: Thank you. I quote you, Mr. Olmert. You said that Prime Minister Netanyahu should be, must be defeated.

So, since the elections are coming less than 50 days --

MR. OLMERT: Yes.

SPEAKER: -- between the current players, whom do you think fits to be prime minister and replace him? Yachimovich, Lapid, or Livni?

MR. OLMERT: When the time will come, I will not make a secret --

SPEAKER: This is the time.

MR. OLMERT: Yes, but not in America. Not in America. You know, I can't hide my basic attitudes --

SPEAKER: No, you said that we should replace him. So you said one part. So who should replace him? If he doesn't fit.

MR. OLMERT: I don't know if you understand it, but Mr. Ignatius interviews me. You ask a question, and I want to answer you.

And my answer is that who I think is the preferred candidate, in the event that these are the candidates, I will certainly make public when I am in Israel. I don't want to go into this here.

What I said, which is obvious -- I mean, this is not a big secret. I apologize that this is not also a big scoop for the press -- is that I am not supportive of the government. I don't know if you noticed it, but I do not support the government. And this is something that has not been a secret for years. I am against this government's policy, and therefore, I want it to be replaced.

And I think that this is the minimum that I could say.

I want to, with your permission, David --

MR. IGNATIUS: Sure.

MR. OLMERT: -- to finalize it with one thing. Because, really, the main thing, the main mission that I feel, the main mission of my life, that I feel, really -- and I didn't feel it, maybe 25 years ago, or 20 years ago, or 15 years ago. I change my opinions, so I don't hide it, and I never was trying to hide it. I always admitted that I were in a different direction in the past. But when I came to the conclusions that I was wrong, I admitted that I was wrong, and I was trying to do everything in my power in order to change things.

And the only thing that I want to say in conclusion, it reminds me of something that I once read from George Bernard Shaw, in one of his plays, which is surprisingly called, *Methuselah*. For the Israelis, it's *Methuselah*. For the English-speaking people, it's called *Methuselah*. He wrote there something which was then used by Bobby Kennedy in a slightly different way.

He said, you know, when you ask me about peace, what are the chances of making peace? Can it be -- is it possible, is it not possible? Can it be done, can it not be done? Do we have a partner, don't we have a partner? Who is the partner? Can we trust him, can we not trust him?

I tell you this: There are some people that see things as they are and ask why? I dream things that never were, and ask why not?

And this is my answer to you. I ask, "Why not?"

MR. INDYK: Thank you very much, Ehud.

* * * * *

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